

Mr. PFAHLER. I would be glad to, sir.

(Information to be furnished by the Commission follows:)

The compliance program is directed chiefly toward promoting the following domestic surface transportation concepts and objectives: adequate, economical, and efficient transportation service; sound economic conditions in transportation; reasonable charges; prevention of unjust discriminations, undue preferences or advantages, and unfair or destructive competitive practices; and a transportation system adequate to meet vital national needs.

In order to achieve these objectives, our staff in the field conducts a number of types of investigations. One of the major investigatory processes is the compliance survey, aimed toward assuring compliance by those carriers whose operations are within the jurisdiction of the Commission. Compliance surveys are conducted in all areas of the carriers' economic operations, whether the carrier be rail, motor, water, or freight forwarder. In conducting these compliance surveys, our staff members physically visit carrier property to examine its records, including accounts, ledgers and journals, bills of lading and freight bills, and tariff charges. When discrepancies or violations are discovered, they are discussed with carrier officials; and an attempt is made to obtain voluntary compliance. In the event of flagrant, intentional, or continuing violations, the matter will be further investigated, documented, and prepared for enforcement action, either in the courts or in a proceeding before the Commission. Examples of violations disclosed by compliance surveys consist of operating beyond the scope of authority, extending credit beyond authorized limits, failure to timely handle c.o.d. remittances, rate and tariff violations, and the granting of concessions or rebates. Compliance surveys are initiated by the Commission's staff and are made periodically.

While compliance surveys are generally utilized to determine general compliance of carriers authorized by the Commission, road checks conducted at ports of entry, State weighing scales, or along major routes of commerce, with the assistance of the State enforcement agencies, are utilized to determine compliance by all motor carriers, whether authorized by the Commission or purportedly operating under an exemption or in private carriage. The purpose of the road check is to physically examine a commercial vehicle's lading being transported in interstate commerce and the bills of lading and other documents carried on the vehicle. Examples of violations and questionable operations developed through the road-check program would be clear-cut and undisguised operations without any authority; misdescription of freight; improper lease and interchange of vehicles by or between carriers; and unauthorized operations performed by means of questionable shipper leasing, buy and sell arrangements, agricultural cooperative associations, and shipper associations.

In addition to the above means for detecting possible unlawful operations, another source of such information is through complaints filed with the Commission by carriers, public regulatory agencies, and the general public. Upon receipt of complaint from these sources, generally an initial investigation is undertaken when the complaint covers an apparent violation of the law or a Commission regulation. When this investigation is undertaken, it may be physically conducted at a carrier's headquarters, at terminals or yards, or at a shipper's place of business. Those complaints received which cover matters not subject to our jurisdiction, such as intrastate shipments or adjudication of claims for loss and damage, are handled administratively by personal contact or correspondence with the carrier involved in an effort to informally resolve the cause of complaint. Advice is also given to the complainant as to other appropriate channels through which he might secure relief.

From the information developed through the summary investigations outlined above, a determination is made as to whether a more intensive investigation, looking toward enforcement action, is warranted. There are a number of yardsticks used by the investigating and enforcement staff to determine whether a complete investigation is appropriate. Generally before a final investigation is undertaken, the possibility of complete adjustment through administrative handling is ruled out. Violations may be flagrant and continuing. The respondent or respondents may have knowledge as to their unlawful activities but may, nevertheless, be unwilling voluntarily to comply or feel that further determination of the status of their operations in light of regulations should be tested in the courts or before the Commission.

The final investigation requires the utmost skillfulness and diligence on the part of the investigator. Many of the schemes and devices used by unlawful or